

For information on
12 June 2003

Legislative Council Panel on Economic Services

Measures to revive the economy and to promote tourism

Introduction

Hong Kong's economy has suffered a major blow following the outbreak of Severe Acute Respiratory Syndrome (SARS). In particular, the tourism sector has been hard hit. Following the lifting of the World Health Organization (WHO) travel advisory on 23 May 2003, it is essential that concerted efforts are made to rebuild confidence in Hong Kong as the premier city tourist destination in Asia and to re-launch Hong Kong's economy.

Airport Authority

Airport Authority's Revitalisation Package

2. The outbreak of SARS has severely affected the aviation industry, resulting in a plunge in the passenger throughput at Hong Kong International Airport (HKIA). The Airport Authority (AA) has offered two relief and incentive packages respectively in April and May to help the aviation industry to tide over the difficulties they face and facilitate recovery of air traffic.

3. On 25 April, the AA announced the first relief package to alleviate the short-term financial difficulties faced by airlines, retailers, caterers as well as the airport franchisees, which includes (a) a special credit of up to 75% on long-term parking charge; (b) rental reductions for shops and catering outlets at the Passenger Terminal; and (c) deferred payments of airport charges and rentals for airline lounge/office, shops and airport franchisees. The package involves a total amount of HK\$363 million.

4. Following the lifting of the travel advisory by the WHO on 23 May, the AA promptly offered a second package of measures on 25 May to facilitate a speedy recovery of air traffic at HKIA. The package comprises a total of eight initiatives including temporary discounts of up to 50% in aircraft landing charges, attractive shopping discounts at airport's retail outlets, lucky draws and

the launching of a global advertising campaign to promote the HKIA as a safe, secure and healthy airport. The package costs the AA at least \$100 million. The AA will continue to work closely with its business partners to stimulate recovery of air traffic and re-vitalise the aviation industry of Hong Kong.

Preventive Measures Taken at the HKIA

5. Since 24 April, the AA has introduced temperature screening measures for all departing, arriving and transit passengers. By the end of May, the screening measures have been extended to all airport staff entering the airport's restricted area. In addition, the AA has also launched a campaign to encourage all employees working at HKIA to measure their body temperature before reporting for duty. This helps promote HKIA as a safe airport for all travelers, and retain its competitiveness among the airports in the region.

Hong Kong Tourism Board

6. To attract tourists to Hong Kong, the Hong Kong Tourism Board (HKTB) will launch a worldwide marketing campaign integrated with Government's general marketing efforts but targeted specifically at the tourism trade and consumers in both long haul and short haul destinations. This worldwide campaign will include a series of high profile trade promotion activities and events that involve Hong Kong firms in the travel and tourism sectors.

7. The HKTB is working closely with the hotel, airlines and the travel trade in Hong Kong to organize a series of destination events and promotions building on Hong Kong's existing strengths. This is taking place and will continue to the first quarter of 2004 (details are attached at Annex). Promotional activities in Hong Kong will include value added campaigns under which tourists will be able to increase their purchasing power or extend their visit to Hong Kong at no or minimal additional cost to them. We will also take the opportunity to launch various activities to encourage consumption by local residents.

Tourism Commission

8. In addition to these marketing efforts, the Tourism Commission (TC) will actively work with the World Tourism Organization (WTO), the World Travel and Tourism Council, and the Pacific Asia Travel Association to

play a full part in international efforts to rebuild confidence in tourism. To this end, there will be an international tourism forum to be held in Hong Kong next month to be organized in conjunction with the WTO and the BoAo Forum. Hong Kong will also participate actively in other international events to showcase our comeback plans and target tourists and local residents in our key markets.

9. On the domestic front, we are supporting the “We love Hong Kong” campaign organized by the trade to stimulate local consumption and foster community involvement and confidence building. We will also give support to world-class events to be organized in Hong Kong that have a high international profile and are capable of attracting tourists to Hong Kong. Details are being discussed with the private sector.

Tourism infrastructure, facilities and products

10. The tourist attractions of a destination play a key role in visitors’ choice of a destination. The Government has plans to further enhance the tourism infrastructure, facilities and products for visitors and local people alike.

11. A key tourism product is the Harbour Lighting Plan. Under this Plan, special light treatments will be applied to a number of prominent private and government buildings along both sides of the Victoria Harbour to enhance the attraction of the night view of the harbour to visitors including local people.

12. As regards beautification and enhancement of existing tourist attractions, eight district enhancement projects are underway or planned. The major components of these projects include streetscape improvement such as repaving, installing new railing, lighting and street furniture, creating more open space for outdoor performance and alfresco dining, etc. Of these eight projects, works are being carried out in Central and Western District, Sai Kung and Lei Yue Mun Waterfronts and will be completed in 2003.

13. We are working vigorously to relocate the Public Transport Interchange (PTI) at Star Ferry Pier to Wing On Plaza Garden in Tsim Sha Tsui East (TSTE) and redevelop the vacated site into an open plaza. The new public transport interchange at Wing On Plaza Garden will be provided with a podium garden with public access and footbridges linking it up with the waterfront promenade and the future KCRC East Rail Extension Station at Middle Road. We target to relocate the PTI outside Star Ferry to TSTE in 2007 and complete the development of the open plaza by 2008/09.

Eco-tourism

14. The Government is continuing to develop and promote green tourism as one of Hong Kong's diverse attractions and to meet increasing demand from visitors and local people. We take a two-pronged approach in this respect : to invest in unique new attractions such as the Hong Kong Wetland Park; and to continue to seek new opportunities for development and promotion capitalising on existing resources.

15. As part of the continuing efforts to explore and identify new opportunities for development, the TC completed a "Consultancy Study on Development of Tourism in the Northern New Territories" in December 2002. The study covered mainly North District and Tai Po District, with an emphasis on green tourism and cultural tourism.

16. The study report has made a range of short-term and medium to long-term recommendations to develop tourism in the Northern New Territories. On 19 May 2003, the TC conducted a consultative forum for District Council members and representatives of concerned local community groups, travel trade and green groups.

17. The TC is presently processing the comments and detailed proposals received. Careful consideration will be given to balancing different needs including conservation and sustainable development, local community economy etc.

18. On promotion and publicity, the Agriculture, Fisheries and Conservation Department (AFCD) has continued to publish a number of books on Hong Kong's ecological attractions in 2002-03. The Department will hold a publicity programme later this year to promote "nature appreciation" and hiking in the countryside. It will also produce a "Hints for Nature Appreciation" publication to promote good practice in nature appreciation, and organise a series of exhibitions and publicity events on the Chinese White Dolphin and marine parks.

19. As regards the development of new green facilities, AFCD has worked with the Central and Western District Council to develop a nature trail in the Peak area featuring trilingual interpretation signs and supported by a website. The Department has plans in hand to develop similar trails in Tai Tam, Sai Kung and the Tai Po Kau Nature Reserve.

Way Forward

20. We are working with the tourism trade on the comeback campaign which will run to early 2004. We aim to rebuild confidence among our visitors and encourage local consumption. In the longer term, we shall continue to invest in our tourism products and promote eco-tourism to enhance Hong Kong's attractiveness as the Asia's top city destination.

**Economic Development and Labour Bureau
June 2003**

Annex

Activities	Proposed Schedule
Hong Kong Tourism Board	
Trade & consumer promotions – trade shows, website marketing, roadshows, campaigns/promotions among key corporate clients and other important market segments, etc.	June 2003 to early 2004
Familiarization visits and programmes for trade and media – senior trade partners and invitees from the travel trade as well as the media will be invited to rebuild their confidence and interest in Hong Kong.	June 2003 to early 2004
Worldwide advertising targeted at key source markets timed to coincide with in-market events in the key markets of the Americas, Europe, Australia and New Zealand, North Asia, South and Southeast Asia, Taiwan and the Mainland.	July 2003 to early 2004
Media-related promotions and activities in support of the main marketing efforts, including worldwide roadshows in 28 cities.	July 2003 to early 2004
Tracking studies – a 3-phase study to track travellers’ perception of Hong Kong. This information will also be used to refine and enhance the overall strategy during the promotional period.	July 2003 to early 2004
Destination happenings & events – shopping & dining promotions, Welcome Pack & Card, Mega Events and themed activities to enhance the attractiveness and competitiveness of Hong Kong as Asia’s top city tourist destination.	July 2003 to early 2004